

East Vallejo Fire Protection District

2003-2004 Grand Jury Report

I. Reason for Investigation

The Grand Jury received a complaint stating that the money received by the City of Vallejo to provide services to the East Vallejo Fire Protection District was not sufficient to cover the actual costs of providing fire protection services to the District.

II. Procedure

The Grand Jury:

- Reviewed the agreement, dated February 7, 1995, between the City of Vallejo and the East Vallejo Fire Protection District for Fire Protection Services, as amended on May 6, 1997, February 15, 2000 and May 14, 2002
- Interviewed the complainant
- Received information from the City of Vallejo about the cost of providing fire protection services
- Reviewed Solano County Local Agency Formation Commission (LAFCO) Procedures
- Interviewed members of the Solano County Board of Supervisors

III. Background

1. The East Vallejo Fire Protection District (EVFPD) is a special district established on July 5, 1939, to provide fire services to the unincorporated areas of Eastern Vallejo. Currently the EVFPD serves several unincorporated areas, some of which are completely surrounded by the City of Vallejo.

2. The Board of the EVFPD was dissolved in 1994 and the County Board of Supervisors now serves as the EVFPD board. The district contracts for fire protection services with the City of Vallejo.

3. Under the terms of the current agreement, the City of Vallejo bills the EVFPD for fire protection services based on a complex proportional formula that includes weighted factors for assessed valuation, population, service demand, and square miles protected. The most recent annual bill for services based on this formula was \$417,823.

4. The City of Vallejo estimates that the actual cost to provide fire protection services in the City is \$501.37 per household. This is calculated by dividing the total City of Vallejo Fire Department budget (\$20,665,900) by the number of housing units (41,219) in the City which totals \$501.37 per housing unit. Thus the actual cost to provide fire protection services to the 1,100 households in the EVFPD is \$551,507 per year which is \$133,684 more than the City billed EVFPD. This could even be an underestimate because the City reports that over the last three years, approximately 5% of their service calls have been to locations in the East Vallejo Fire Protection District. If the actual cost was based on the percentage of service calls, the amount EVFPD would pay for annual service would be over \$1,000,000 (5% x \$20,665,900).

IV. Findings and Recommendations

Each finding is referenced to the background paragraph number.

Finding #1 - The current agreement between the EVFPD and the City of Vallejo results in a bill for services (\$417,823) that is less than the cost of providing these services (\$551,507) as estimated by the City of Vallejo. Thus the taxpayers in the City of Vallejo are subsidizing the cost of fire protection services for the taxpayers in the EVFPD. (3)(4)

Recommendation #1 - The City of Vallejo and the Solano County Board of Supervisors negotiate a new agreement for services that fairly compensates the city for the actual cost of providing fire protection services.

Finding #2 - The EVFPD serves an unincorporated urban area almost entirely within the sphere of influence of the City of Vallejo. The EVFPD Board was dissolved ten years ago and the district exists only to pass through tax revenue from the County to the City of Vallejo to fund fire protection services. (1)(2)

Recommendation #2 - The City of Vallejo and the Solano County Board of Supervisors should review the status of the EVFPD with a view toward determining the most equitable and efficient method of providing fire services to these areas. This should be done in conjunction with the LAFCO guidelines which include the following considerations:

- Does the district tailor its services better than a city?
- Does the district link its costs to benefits better than a city?
- Is the district more responsive to its constituents than a city?
- Are there inefficiencies or redundancies?
- Is a district more accountable than a city?
- What are the funding mechanisms and would a change reduce existing services?

Finding #3 – The Grand Jury received maps of the area comprising the EVFPD from the County, the City of Vallejo and LAFCO. Certain core areas appear on all three maps. However, other areas including Sandy Beach, a section bordering the Napa River north of the Mare Island Strait, an area north of Columbus Parkway, west of Sulfur Springs Creek and an area on the east side of Vallejo bordering the Cordelia Fire District did not appear on all three maps, creating some uncertainty about the areas covered by the EVFPD and the responsibility for paying for fire protection services.

Recommendation #3 – The City of Vallejo and the Solano County Board of Supervisors should ensure that they are in agreement about the contracted area covered by the EVFPD.

V. Affected Agencies

- East Vallejo Fire Protection District
- Solano County Board of Supervisors
- City of Vallejo
- Solano County Local Agency Formation Commission